

Corporate Presentation

January 2012



Agenda

- Management Team
- Assets at a Glance
- Recent Developments
- Investment Highlights
- Company's Objectives
- Corporate Overview
- Institutional Investors
- Assets Overview
 - Krasnoleninsky Project (Russia)
 - Vamarov Project (Russia)
 - Druzhny Project (Russia)
 - Alakol Project (Kazakhstan)
- Update on Sale of Tubatse Project Stake
- Near-term Development Plan
- Future M&A plans
- Conclusions
- Appendices

Management Team



Chris Hopkinson
BSc (Hons)
CEO

- Extensive Russian, CIS and international experience
- CEO, Imperial Energy
- VP Western Siberia, TNK-BP
- Director PM at Lukoil
- VP Production at Yukos
- SVP North Africa, BG-Group
- Shell International



William McAvock
BA (Hons), FCCA
CFO

- Significant experience in finance functions of mineral resource companies
- Group Financial Controller, African Minerals Ltd (AIM: AMI)
- Group Financial Controller, Adastra Minerals Inc. (TSX and AIM)



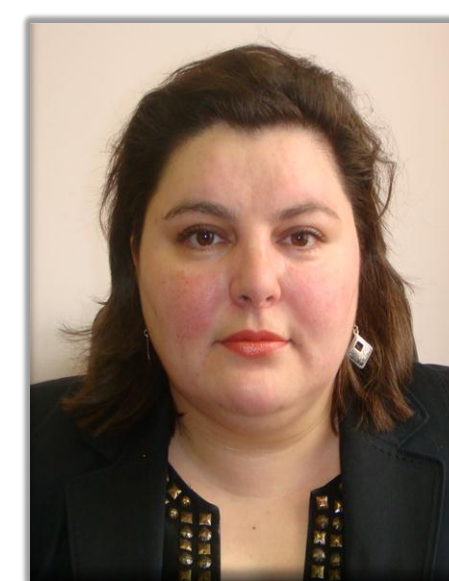
Alexander Osipov
MA (Hons)
VP Russia (Country Mgr)

- 20-year experience in the energy industries of North America and the CIS
- VP, Eastern Petroleum Limited
- VP, Geneco Inc.



Ken Hopkins
MSc
Country Mgr Kazakhstan

- Extensive Russian, CIS and international experience
- Director of Exploration, Aral Petroleum Capital LLP
- SVP, Orient Petroleum (Central Asia)
- International Advisor, Oryx Energy



Anya Belogortseva
Director General
Kazakhstan

- Extensive experience in the oil and gas industry
- European Hydrocarbons Ltd
- PetroKazakhstan Inc
- Denton Wilde Sapte, Kazakhstan
- Lukoil
- BP
- Clore & Co Solicitors

Assets at a Glance

Russia

1 Krasnoleninsky Project (Russia, KhMAO)

The Company owns a 75% equity interest in the exploration rights to four blocks in Western Siberia ("Krasnoleninsky Project"). The four blocks comprising the Krasnoleninsky Project cover a total area of 1,467 km² and are located in the Khanty-Mansiysk Autonomous Region of Western Siberia, the largest oil-producing region of Russia

2 Vamarov Project (Russia, KhMAO)

In August 2011, the Company signed an SPA to acquire a 100% interest in the Vamarov Project, which includes Zapadno-Novomolodezhny and Yuzhno-Sardakovsky fields in the Khanty-Mansiysk Autonomous Region of Western Siberia

3 Druzhny Project (Russia, Tomsk region)

The Company has signed an MOU to acquire a 75% interest in the Druzhny Project, which comprises one licence block on the right bank of the river Ob in the Tomsk Region of Western Siberia, with a total area of 2,172 km², in a non-cash transaction

Kazakhstan

4 Alakol Project

The Company owns a 50% interest in an early stage exploration project in eastern and south eastern Kazakhstan (Alakol Project). The Kazakhstan Project covers 24,649 km² in eastern Kazakhstan and bordering the western boundary of the People's Republic of China

International Petroleum's subsidiary company, North Caspian Petroleum Limited, has exclusive exploration rights to the Alakol Project until November 2012

Asset Location Map

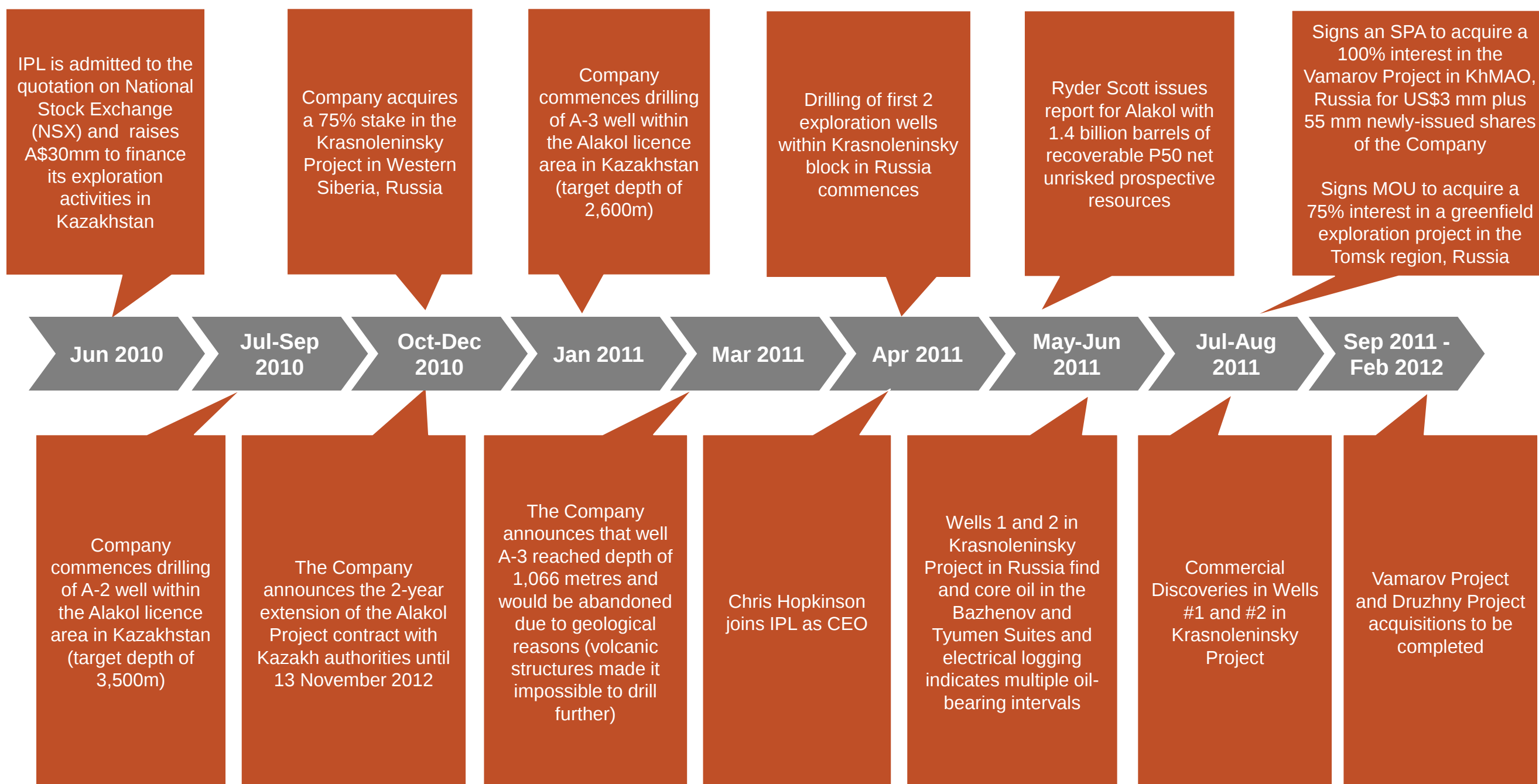


Assets Summary

Project	Stake	Gross reserves/resources	Production start
Krasnoleninsky	75%	Unrisked prospective resources of 260 mmboe	1Q2012
Vamarov	100%	2P reserves of 55 mmboe	1Q2012
Druzhny	75%	D2 resources of 41 mmboe (Russian classification)	TBD
Alakol	50%	Unrisked prospective resources of 1,38 bn boe	TBD

Source: Company's data

Recent Developments



Investment Highlights

Entrepreneurial E&P Player with a strong footprint in Russia/CIS

- High potential exploration and development blocks in major oil producing provinces of Russia (KhMAO and Tomsk Regions)
- Early exploration play in Kazakhstan
- Cost efficient near-term development plan being implemented to maximize the shareholder value

Transformational, value creative acquisition of the Vamarov Project aiming to balance the portfolio of existing assets

- The Vamarov Project to provide up to 55 mmboe of 2P reserves
- Developed asset with existing infrastructure
- High value accretive transaction given the acquisition price of just 35 US cents per barrel of 2P reserves
- Balances the portfolio of the existing exploration assets

Commencement of production before the end of 1Q2012

- Targeting commercial production by the end of 1Q2012 with a ramp up from 2013 onwards
- Minimal capex required to commence production at the Vamarov Project in 1Q2012
- Most recent drilling results supporting substantial production potential at the Krasnoleninsky Project with first oil to come in 1Q2012

Unique platform for future M&A transactions

- Effective platform to acquire onshore assets in Russia, the CIS and worldwide
- Disciplined approach to deploying capital
- Unique access to a range of opportunities in the Tomsk region post-acquisition of the Druzhny Project

Best-in-class management team

- Experienced management team with successful track record of similar and more challenging projects in Russia, the CIS and worldwide
- Chris Hopkinson has an extensive Russian and international experience and brings unique expertise to the Company

Strong support from controlling shareholder

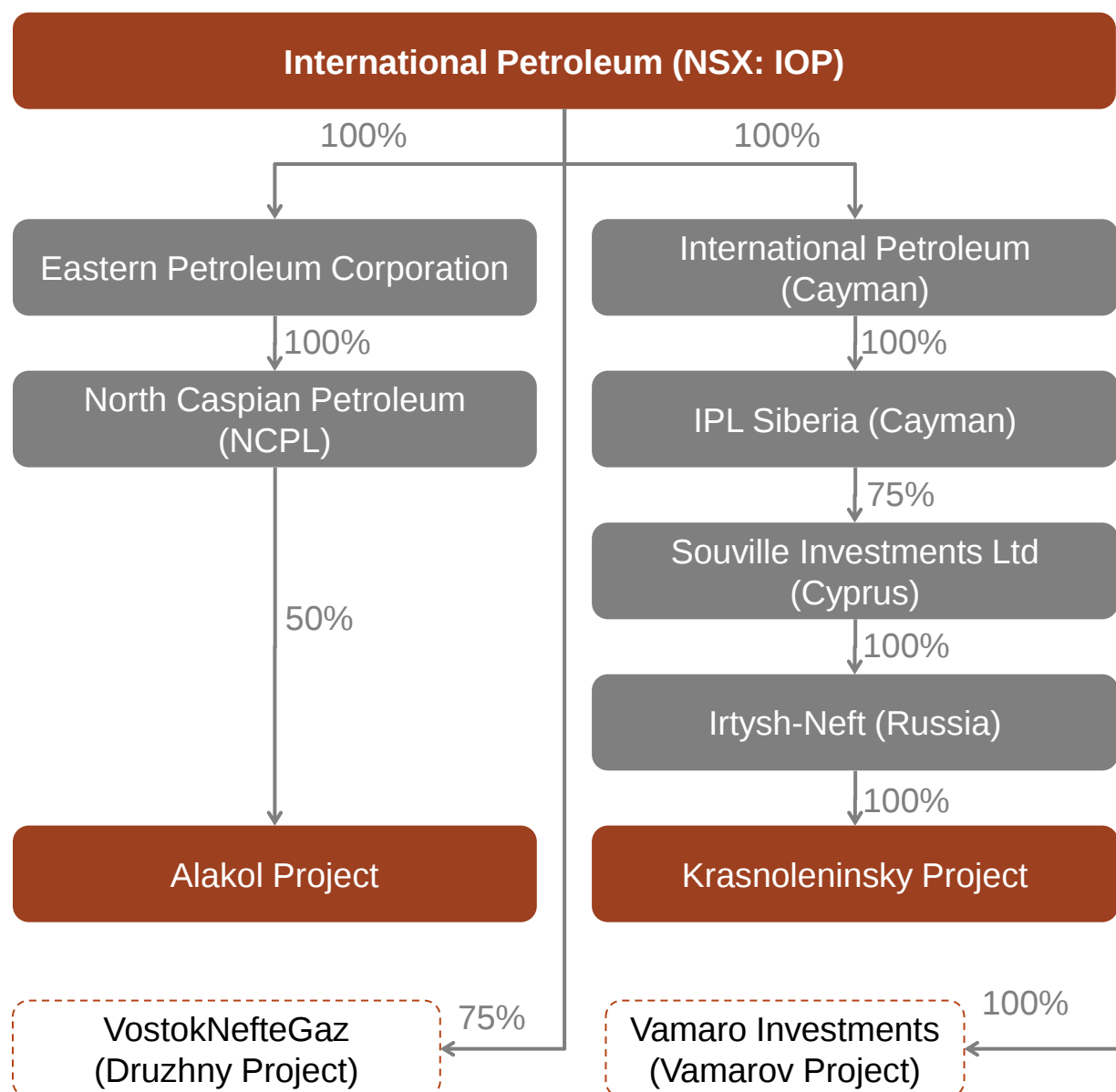
- Frank Timis has a track record of creating shareholder value (African Minerals, African Petroleum)
- Invested across the capital structure (equity and standby loan facility)
- Fully committed to support the development of the business going forward

Company's Objectives

- Complete acquisitions of the Vamarov Project and Druzhny Project in Russia
- Bring the existing fields to production stage as soon as practically possible and maximize shareholder return
- Locate, assess and acquire material exploration projects in Russia and quickly establish oil and gas reserves – **Existing Basins**
- Opportunistically review and acquire projects in both established oil and gas provinces and greenfield areas worldwide – **New Frontiers**

Corporate Overview

Organisation chart



Source: Company's data

Shareholders

Shares on Issue **955,532,031**

Unlisted options (granted to employees and private shareholders)

Exp 30 Jun 2012 at \$0.25 135,193,072

Exp 1 Jun 2014 at \$0.30 200,000

Exp 16 Nov 2015 at \$0.30 8,000,000

Exp 17 Mar 2016 at \$0.25 6,000,000

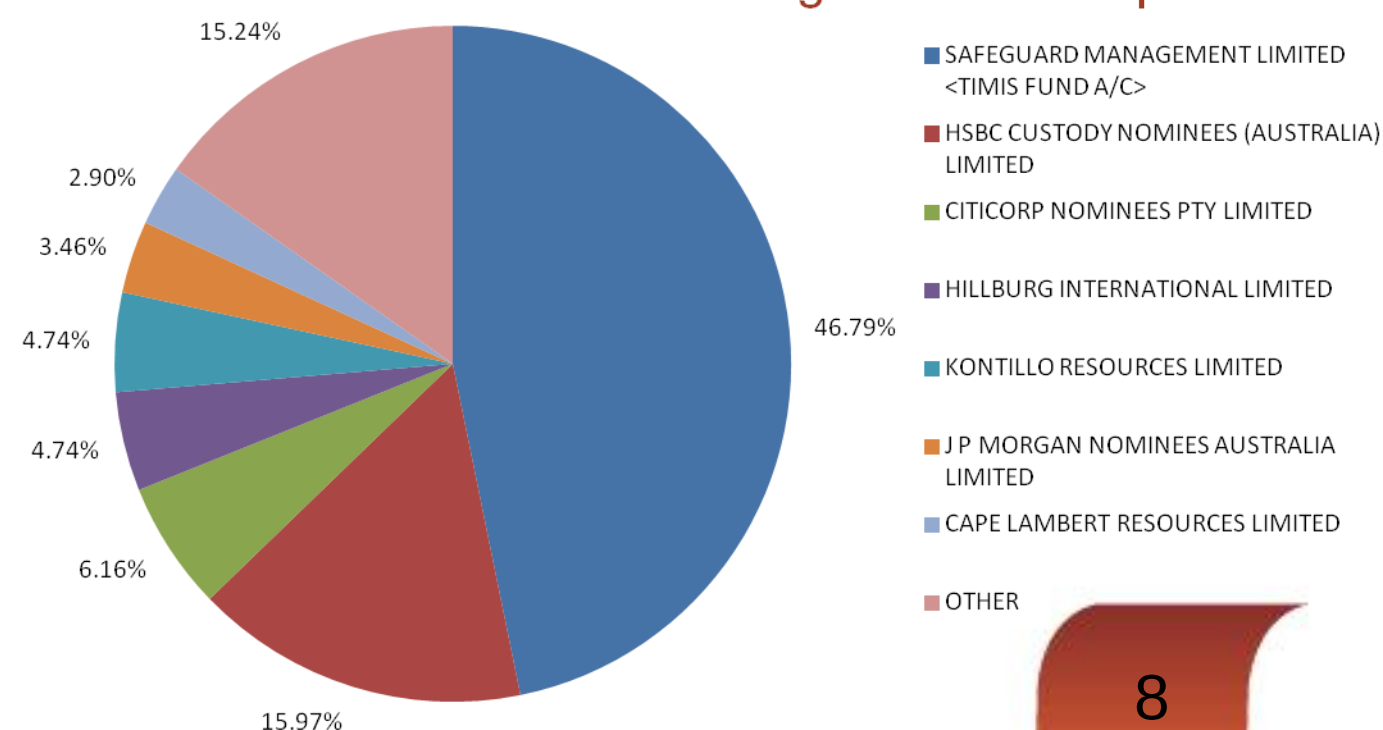
Exp 15 Apr 2016 at \$0.25 3,000,000

Exp 1 Jun 2016 at \$0.25 18,000,000

Exp 8 Aug 2016 at \$0.25 3,000,000

Fully Diluted **1,128,825,103**

Shareholdings as at 21 Sept 2011



Institutional Investors

amiyacapital



BLACKROCK

J.P.Morgan



CD | capital

NORTH OF SOUTH CAPITAL

RAB CAPITAL

ETON PARK CAPITAL MANAGEMENT

Krasnoleninsky Project

General overview

- Krasnoleninsky Project includes four blocks in Khanty-Mansiysk Autonomous Region, Western Siberia, with a total area of 1,467 km²
- The blocks are located in close proximity to the large western Siberia fields of Kamennoye (280 million tonnes of reserves, Lukoil, TNK-BP) and Priobskoye (470 million tonnes of reserves, Gazpromneft)
- The Company acquired its 75% interest in Krasnoleninsky Project in October 2010
- The Company is to finance all necessary capex and opex on the first four wells

Infrastructure

- Transneft's trunk oil pipeline lies 100 km south of blocks
- Before the pipeline connecting the blocks with Transneft pipeline together with own production facilities are constructed, the plan is to transport oil by trucks during the winter season (during 1Q2012)

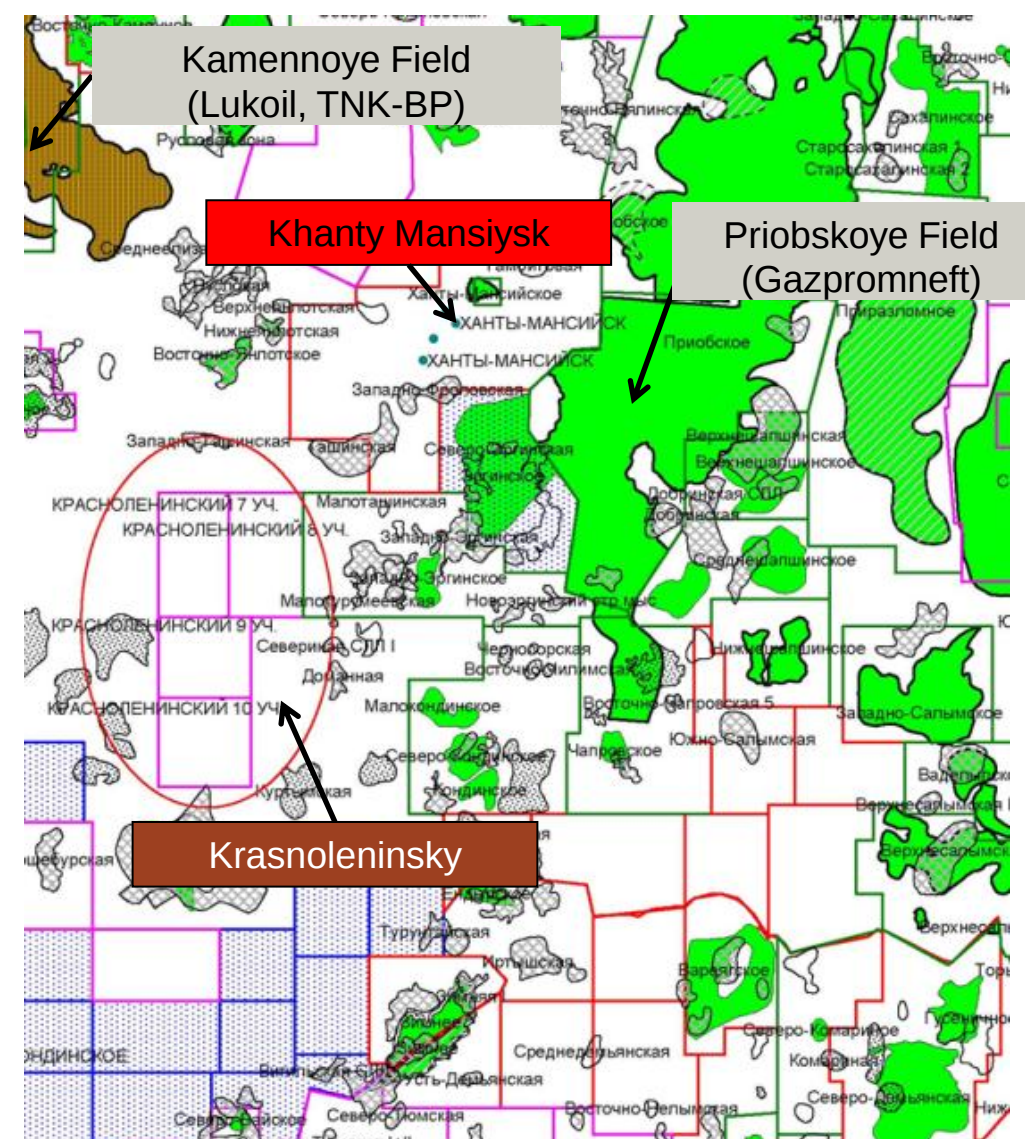
Reserves/Resources

- Krasnoleninsky Project P90, P50 and P10 unrisked prospective resources are estimated at 169, 260 and 385 mmbbl, respectively (Ryder Scott, dated 12 May 2011)
- New Ryder Scott report covering recent drilling results is expected to be available by the end of February 2012

Current status

- Well #1 and Well #2 were drilled using two separate rigs in April-May 2011 with final depths of 2,845 metres and 2,909 metres respectively
- **Well #1: oil commerciality was established in the J2-3 formation at the interval between 2,647 metres and 2,665.5 metres, from which an unstimulated daily inflow of 5.5 m³ of oil was recorded**
- **Well #2: oil commerciality established in the J4 formation at the interval between 2,740 metres and 2,745 metres, from which an unstimulated daily inflow of 6 m³ of oil was recorded. Using the data from the test, the Company estimated oil flow rates after hydraulic fracturing to be 202 barrels per day (low case), 419 barrels per day (base case), and 508 barrels per day (high case) from this interval only**
- The Company plans to frac these two wells in 1Q2012 and commence oil production thereafter. Wells #3 and #4 are expected to be drilled during 2012

Location Map



Vamarov Project

General overview

- In August 2011, the Company signed an SPA to acquire a 100% interest in the Vamarov Project, which includes Zapadno-Novomolodezhny and Yuzhno-Sardakovsky fields in the Khanty-Mansiysk region of Western Siberia
- Consideration for the acquisition will comprise US\$3 mn in cash and the issue of 55 million shares in International Petroleum (not subject to a lock-up). The Company will also assume certain liabilities of Vamaro, including US\$1 mn that was paid in November 2011 and a further US\$4 mn that is payable by 27 February 2012

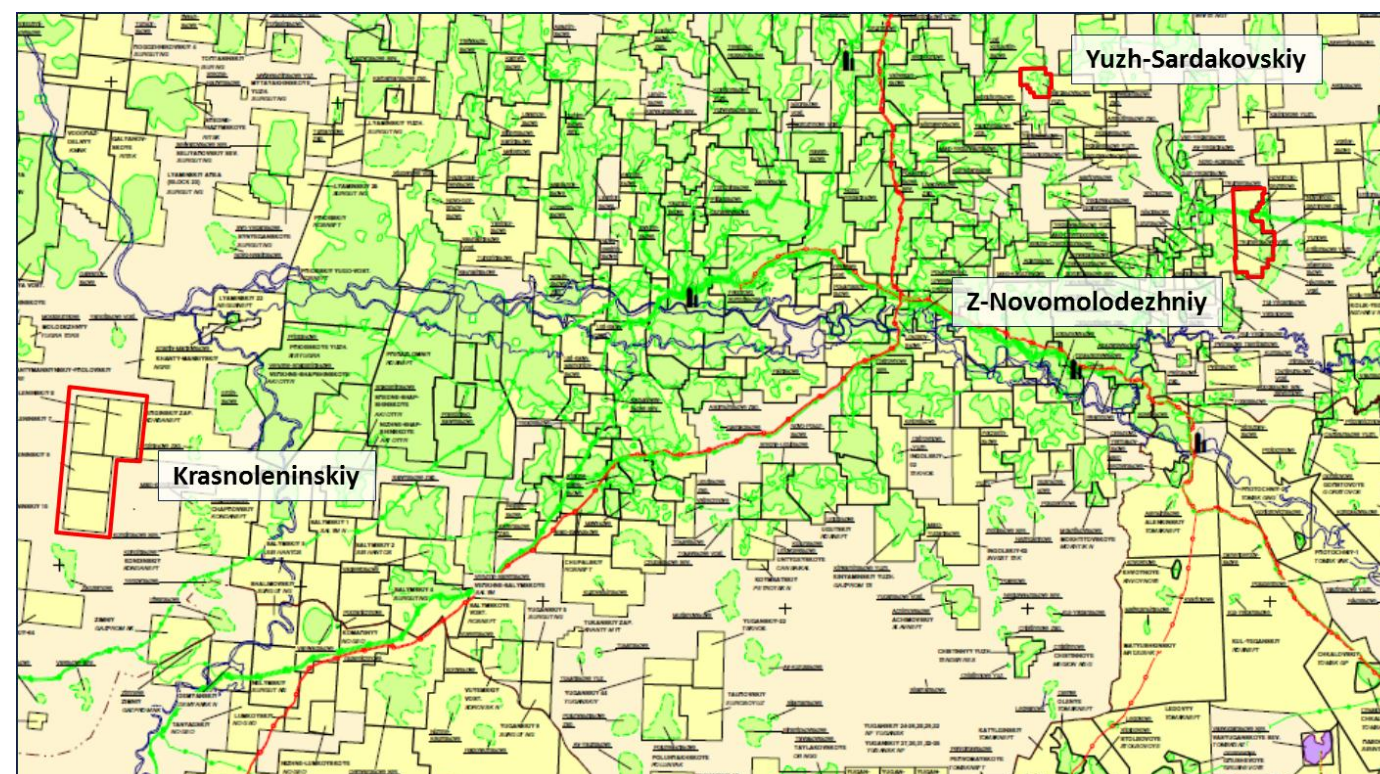
Reserves/Resources

- IPL to engage Ryder Scott to audit its internal base-case 2P reserves estimate of 55 mmboe, the reserve report expected by the end of February 2012

Current status

- **Zapadno-Novomolodezhny** field has 13 wells drilled and the Company is currently evaluating well candidates to work over and bring onto production in 1Q2012
- Intra-field pipelines and production facilities are present. The field can be accessed year round by an all-weather road
- 3 wells are planned to be put in operation by the end of 1Q2012, expected initial flow rates of ca. 417 bopd each (1,251 bopd jointly)
- **Yuzhno-Sardakovsky** has 6 production wells. The field is 15km from oilfield treatment and transport facilities. Candidate wells for work-over and stimulation are being assessed
- 4 wells are planned to be put in operation by April 2012, expected initial flow rates of between 240 and 377 bopd each (1,233 bopd jointly)

Location Map



Reserves, mmboe

	Zapadno-Novomolodezhny		Yuzhno-Sardakovsky		Total	
	Original oil in place	Remaining reserves	Original oil in place	Remaining reserves	Original oil in place	Remaining reserves
Low case	61.1	17.1	65.3	15.0	126.4	32.0
Base case	64.7	18.0	151.4	36.6	216.1	54.6
High case	191.0	53.1	266.8	65.6	457.9	118.7

Source: Company's estimates

Druzhny Project

General overview

- During January 2012, the Company completed the acquisition of 75% of OOO VostokNefteGaz, which holds an exploration licence in the Tomsk region of Western Siberia with a total area of 2,172 km².
- 5-year exploration licence expires in October 2015
- The consideration for the acquisition comprised 6,666,667 shares in International Petroleum and a commitment to fund all of the exploration work necessary to fulfill the minimum work programme. The shares are subject to escrow until the earlier of: (a) a commercial discovery having been made in the block; (b) VostokNefteGaz having acquired an oil-producing asset in the Tomsk region; and c) a period of five years from the date of the VostokNefteGaz acquisition
- The Company is to finance all necessary capex and opex on the minimum work programme (2,000 line km of 2D seismic, 3 wells by October 2015)

Growth Potential

- Local Administration fully support IPL's buy into the Druzhny Project
- Access to data on available producing licence blocks on the left bank of the Ob River
- Excellent relations with Governor and local service companies
- Expect to acquire additional assets in the Tomsk region in the future

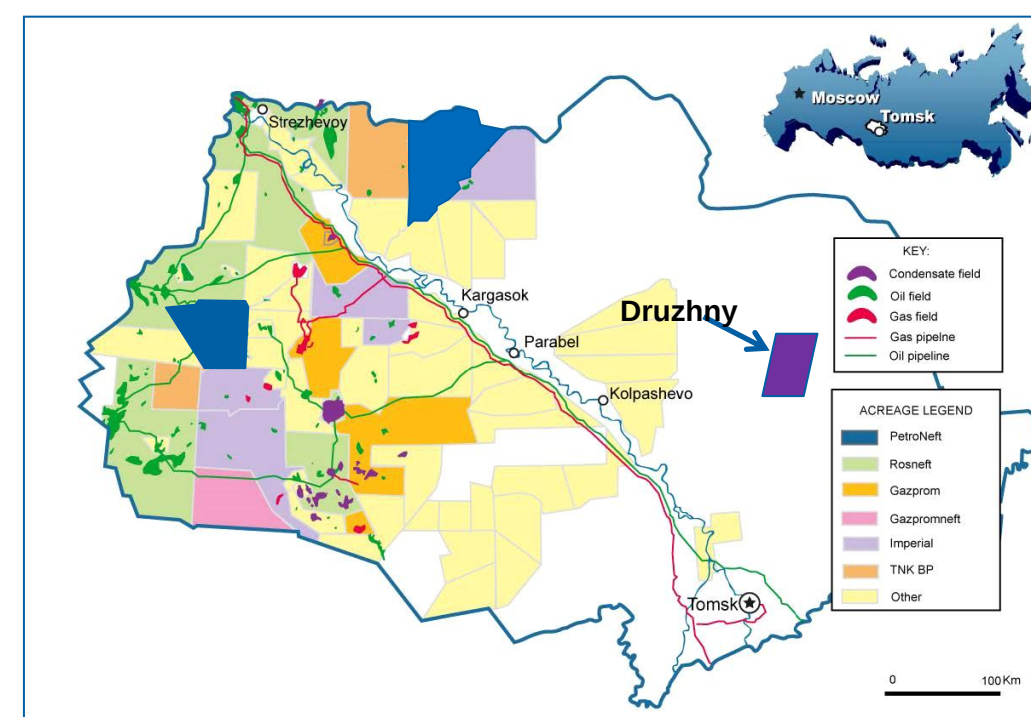
Reserves/Resources

- Exploration programme to be devised once 2D seismic data has been interpreted
- D2 resources based on the Russian classification were 5.6 mn tonnes at 1 January 2002

Current status

- Acquisition was completed in January 2012 and 1,000 line km of 2D seismic surveys is planned for 4Q2012

Location Map



Minimum work programme

Commitment	To be fulfilled by
Develop, negotiate and obtain the approval of the programme of exploration and appraisal work	October 2011
Carry out at least 1,000 line km of 2D seismic survey	October 2012
Carry out at least 2,000 line km of 2D seismic survey (including 1,000 line km to be done by October 2012)	October 2013
Commence drilling of the first exploration well	October 2014
Complete drilling of at least three exploration wells	October 2015
Implement a full program of exploration and appraisal of hydrocarbon reserves in line with the programme of exploration and appraisal work	October 2015

Source: Company's data

Alakol Project

General overview

- The Company holds and operates a 50% interest in Alakol Project, South-Eastern Kazakhstan
- The Alakol Basin is situated on the opposite side of the Kazakhstan/China border from the multibillion barrel oilfield complex of Junggar-Karamay Fields in China
- The Alakol Project includes 12 drillable prospects, total area under contract 24,649km²
- Exploration contract for Alakol is until November 2012, the Company is the operator of the Project

Infrastructure

- Existing rail and pipeline infrastructure within the licence area
- Strategic location across an oil pipeline into north-west China with current capacity of 200,000 bopd (with expansion to 400,000 bopd in 2013)
- Tank farm and refinery facilities commissioned in 2009 in Alakol Basin

Reserves/Resources

- Alakol recoverable oil P50 unrisked prospective resources are estimated at 1.38 bn bbl (Ryder Scott, dated 6 June 2011)

Current status

- 4 exploration wells drilled to date
- Recently drilled Well A-8 and tested two zones with reservoir-quality sands present on the flanks of Paleozoic-age volcanic intrusions or basement highs, but no hydrocarbons found
- 500 km² 3D seismic study planned in 2H2012

Location Map



Update on sale of Tubatse Project stake

History

- In October 2009, the Company entered into an agreement with Nkwe Platinum Limited (Nkwe) to sell its 15% interest in the Tubatse Project in South Africa in two tranches. The first tranche (5% for AU\$10 mn) was completed in 2010, but the second tranche (10% for AU\$50 mn) has not completed yet

Recent developments

- During 2011, International Petroleum and Nkwe agreed to revise the agreement with respect to the sale of the Company's remaining 10% interest to remove the conditions precedent and reduce the cash consideration from AU\$50 mn that was previously agreed to AU\$45 mn.
- During 2011, Nkwe has suffered delays to their plans to complete the transaction owing to certain licence disputes in South Africa and JV negotiations aiming to raise funding for the Tubatse Transaction
- Nkwe is to execute the transaction by 30 June 2012 based on agreement with IPL

Future prospects

- The Company understands that Nkwe will be able to proceed with the transaction once it has been able to raise the funding (either by completing a JV transaction or by raising equity financing)
- Given the uncertainties with timing of the above activities, the Company can not be certain that the contemplated transaction will be completed by 30 June 2012

Near-term Development Plan^[1]

Drilling

Seismic

Infrastructure

Russia	Krasnoleninsky	- Wells #3 and #4 are to be drilled in 2012 (target drilling depths of 1,700-3,000 meters) - Company will seek a local contractor - Average drilling period per exploration well is 75 days for 3,000 meters well - Average drilling cost – US\$ 5.5 mn per well		- Possible construction of oil preparation facility at the Krasnoleninsky Project in 2H2012 - Estimated cost – US\$ 10 mn
	Vamarov	- Currently the Company plans to work over 7 wells and bring them into production in 1Q2012 - Other potential targets for work overs are being analysed - Estimated work over costs (including frac) are US\$ 1.0 to 1.5 mn per well		Construct pipelines and other infrastructure for US\$ 12 mn
	Druzhny		- Carry out 1,000 line km of 2D seismic survey - Local contractor - Estimated costs – US\$ 2.5 mn	
Kazakhstan	Alakol		- Acquire additional 500 km² of 3D seismic in 2H2012 - Local or international contractors - Estimated cost for 500 km² of 3D seismic acquisition, processing and interpretation US\$ 6 mn	

[1] subject to receiving the proceeds from the sale of the Tubatse stake and commencement of oil production at the Vamarov and Krasnoleninsky Projects

Future M&A plans

- Following acquisition of the Druzhny Project in Tomsk region and given the Company has a good relationship with the local government of the Tomsk region, the Company believes it will be able to acquire further exploration and producing assets in the region over the next 12 months
- The Company is also actively looking for attractive exploration and development opportunities in Russia (particularly, in Khanty-Mansiysk Autonomous Region) and expects possible acquisitions over the next 12 months
- The Company is currently actively pursuing opportunities in Africa

Conclusions

- International Petroleum is an NSX-listed company with:
 - Discovered oil with exploration upside in the Krasnoleninsky Project in the centre of Russia's main oil region, production is expected during 1Q2012
 - The Vamarov Project has proved reserves, infrastructure and potential for production start up in 1Q2012
 - The Druzhny Project is an exploration play, which shall allow for acquisition of reserves and production in the main oil basin of the Tomsk region. There are currently a number of licences available and the local administration is supportive
 - Potential reservoir rocks have been penetrated in Well A-8 in Alakol but with no hydrocarbons. IPL intends to acquire 3D seismic before continuing with the drilling programme
- The Company has significant and growing resource base with upside potential
- Production is targeted to commence in 1Q2012 with ramp up coming from 2013
- Management team with many years of experience and successful track record in similar projects places International Petroleum in excellent position for development and production from existing and new projects

Appendices



Financial Statements

Balance Sheet

BALANCE SHEET (US\$ m)	31-Dec-10	30-Jun-10
Current Assets		
Cash and cash equivalents	12.8	29.9
Other current assets	6.0	3.8
Total Current Assets	18.8	33.7
Non Current Assets		
Exploration and Evaluation expenditures	100.8	71.7
Other non-current assets	4.4	3.6
Total Non Current Assets	105.2	75.3
Total Assets	124.0	109.0
Current Liabilities		
Trade and other payables	4.9	2.0
Income tax payable	1.6	1.4
Total Current Liabilities	6.5	3.4
Non Current Liabilities		
Deferred tax liability	5.8	5.8
Borrowings	12.6	-
Provisions	0.2	0.2
Total Non Current Liabilities	18.6	6.0
Total Liabilities	25.1	9.4
Total Equity	98.9	99.6

Cash Flow Statement

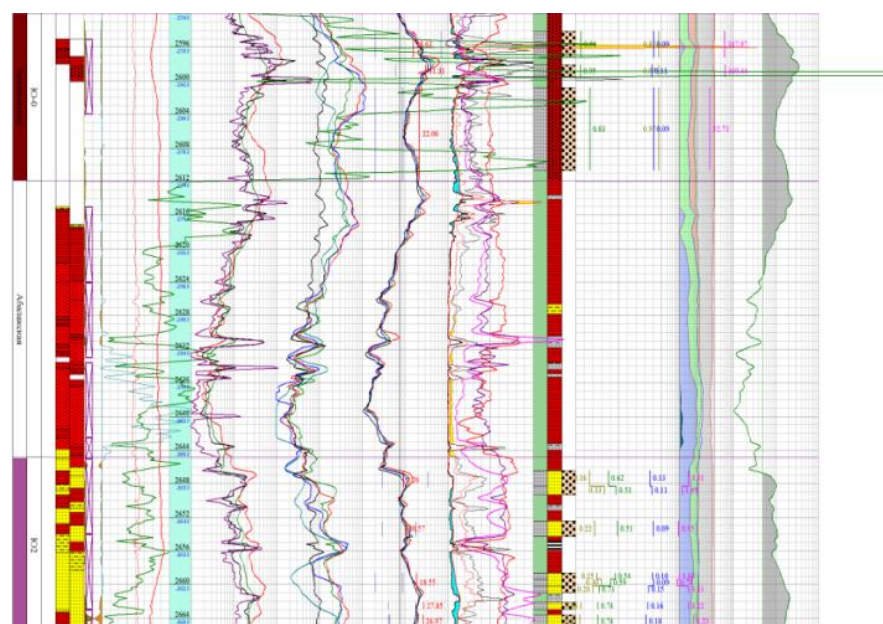
CASH FLOW STATEMENT (US\$)	6 months ending 30 Jun 11	6 months ending 31 Dec 10	6 months ending 30 June 10
Cash flow from operations	(14.0)	(7.1)	(2.4)
Cash flow from investing	(0.1)	(13.2)	28.5
Cash flow from financing	7.6	(0.1)	3.3
Net cash flow	(6.5)	(20.4)	29.4
Cash at the end of the period	6.7	12.8	29.9

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME (US\$)	6 months ending 31 Dec 10	6 months ending 30 June 10	12 months ending 31 Dec 2010
Continuing Operations			
Revenue	0.5	0.3	0.8
Operating expenses	(7.1)	(1.8)	(8.9)
Profit on sale of assets	0.1	0.0	0.1
Finance costs	(0.1)	0.0	(0.1)
Impairment of goodwill	0.0	(7.4)	(7.4)
Loss from continuing operations	(6.6)	(8.9)	(15.5)
Other comprehensive income, net of tax	3.1	0.2	3.3
Total comprehensive loss for the period	(3.6)	(8.7)	(12.3)

Krasnoleninsky Block – Drilling Results

Well No. 1 (Krasnoleninsky-7)



Drilling Results

- Spud date – 25 March 2011
- Target depth – 2,850 m
- Drilling ended at depth – 2,845 m

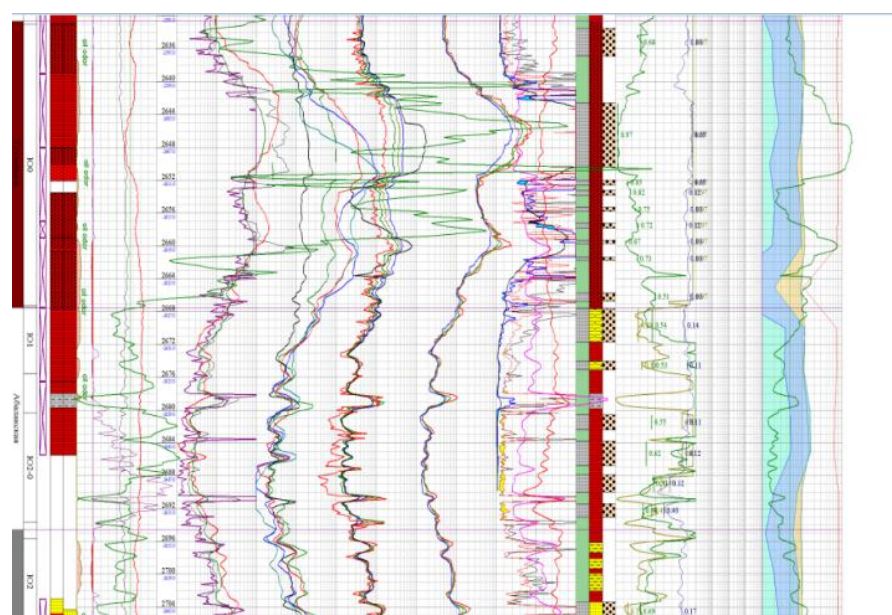
Formation	Net Thickness (metres)	Porosity (%)	Hydrocarbon Saturation (%)	Reservoir Fluid
Yu-0	14.6	10.0 (Matrix+ Fractures)	87	Oil
Yu-2	9.7	13.0	62	Oil
Yu-4	4.4	13.2	61	Oil
Yu-6	4.3	11.0	58	Oil
Yu-7	2.4	11.0	56	Oil
PZ	5.7	Fractured	Oil Potential	Oil Potential
Total (Excluding PZ)	35.4			

Coring Results



Core from Bazhenov Suite

Well No. 2 (Krasnoleninsky-8)



- Spud date – 6 April 2011
- Target depth – 2,930 m
- Drilling ended at depth – 2,909 m

Formation	Net Thickness (metres)	Porosity (%)	Hydrocarbon Saturation (%)	Reservoir Fluid
Yu-0	15.3	7.4 (Matrix+ Fractures)	84	Oil
Yu-1	5.1	13.2	55	Oil
Yu-2-0	8.6	22.1	60	Oil
Yu-2	2.3	17.2	69	Oil
Yu-3	13.1	16.9	67	Oil
Yu-4	10.2	11.9	58	Oil
Yu-5	10.8	10.8	59	Oil
PZ	20.1	Fractured	Oil Potential	Oil Potential
Total (Excluding PZ)	65.4			



Core from Tyumen Suite

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Appendix

Canadian Legal Matters

Resale Restrictions

Any distribution of securities of the Company is being made only on a private placement basis. Securities legislation in Canada imposes certain restrictions on the resale of securities sold by way of private placement. Any resale must be made through an appropriately registered securities dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws. In addition, any resale must be made (a) in accordance with the prospectus requirements of applicable securities laws; or (b) pursuant to an exemption from such prospectus requirements. In the absence of an available exemption from the prospectus qualification requirements of applicable Canadian securities laws, a purchaser of shares hereunder may be unable to resell such securities without a discretionary exemption order from one or more Canadian securities commissions. Canadian securities regulatory authorities may take different views as to whether the foregoing resale restrictions apply to resales made outside of their respective jurisdictions. Accordingly, purchasers should consult with their legal advisors prior to any resale of any shares. Certificates evidencing the shares will contain a legend describing resale conditions.

Rights of Action for Damages or Rescission for Purchasers in Ontario

Any purchaser of securities of the Company who is a resident in Ontario, subject to certain limitations as described below, shall have a statutory right of action for damages or rescission if this Presentation, together with any amendment to it, is delivered to a purchaser and contains a misrepresentation.

If the Presentation, together with any amendment to it, is delivered to a prospective purchaser prior to the purchase of securities of the Company and the Presentation, or any amendment to it, contains a misrepresentation which was a misrepresentation at the time the securities were purchased, the purchaser will be deemed to have relied upon the misrepresentation and will have a statutory right of action against the Company for damages or, alternatively, while still the owner of any of the securities, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Company, provided that:

- (a) no person or company will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (b) in a case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
- (c) in no case will the amount recoverable exceed the price at which the securities were offered under this Presentation, or any amendment to it.

The statutory right of action described above does not apply to the following purchasers of securities in Ontario:

- (i) a “Canadian financial institution”, meaning either: (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 173(1) of that Act; or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction in Canada;
- (ii) a “Schedule III bank”, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (iii) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (iv) a subsidiary of any person referred to in paragraphs (i),(ii) (iii) if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

No action shall be commenced to enforce the right of action described above unless the right is exercised within:

(a) in case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action other than an action for rescission, the earlier of:

(i) 180 days after the date the purchaser first had knowledge of the facts giving rise to the course of action; or

(ii) three years, after the date of the transaction that gave rise to the cause of action.

The foregoing summary is subject to the express provisions of the *Securities Act* (Ontario), and the rules, policy statements and regulations thereunder and reference is made thereto for the complete text of such provisions.

General

The rights described above are in addition to and without derogation from any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein. Each Ontario purchaser should refer to provisions of the applicable securities legislation for the particulars of these rights or consult a legal advisor.

